

Message Text

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20

ORIGIN ARA-20

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

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DRAFTED BY ARA-LA/CEN:MWCOTTER:AF

APPROVED BY ARA-LA/CEN:DLUZER

EB/ORF/FSE:WBWHITMAN (DRAFT)

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R 292148Z NOV 73

FM SECSTATE WASHDC

TO AMEMBASSY TEGUCIGALPA

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

AMEMBASSY SAN JOSE

AMEMBASSY CARACAS

C O N F I D E N T I A L STATE 234419

E.O. 11652: GDS

TAGS: ENRG, HO

SUBJECT: PETROLEUM DEVELOPMENTS IN HONDURAS

REF: A) TEGUCIGALPA 4394

B) STATE 229496

C) STATE 229466

D) STATE 219469

1. TO DEPARTMENT'S KNOWLEDGE SITUATION REMAINS AS OUT-
LINED IN PARA 2 OF REF G; I.E.; ANY REDUCTION WILL BE DONE
"EQUITABLY" BUT THAT TEXACO HAS NOT YET DETERMINED WHAT
REDUCTION WILL BE NECESSARY. USG HAS NOT REPEAT NOT
REQUESTED OR PRESSURED OIL COMPANIES TO DIVERT OIL FROM
TRADITIONAL MARKET TO US. ALTHOUGH USG WOULD HOPE TO SEE
AVAILABLE OIL DISTRIBUTED AS FAIRLY AS POSSIBLE, WE ARE
NOT IN A POSITION TO TAKE UP CUDGELS FOR VARIOUS COUNTRIES
WHO FEEL DEPRIVED UNFAIRLY (REF D).

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2. SEVERAL POINTS REMAIN UNCLEAR IN REF A. IN QUESTION IS THE STATUS OF THE 10 PERCENT REDUCTION IMPOSED BY TEXICO BECAUSE OF THE GOH PRICING POLICY. WILL THE PRICE

INCREASE AUTHORIZED FOR DECEMBER 16 CAUSE THAT 10 PERCENT TO BE RESTORED TO HONDURAS? UNTIL THE STATUS OF THAT REDUCTION IS CLEARED UP, IT WILL BE DIFFICULT TO DETERMINE WHAT REDUCTION MAY BE IMPOSED DUE TO WORLDWIDE PETROLEUM CRISIS. THE 37 PERCENT FIGURE MAY INCLUDE THAT EARLIER 10 PERCENT AND THUS THE FINAL REDUCTION MAY ONLY BE 27 PERCENT. ALSO UNCLEAR, AS NOTED IN REF A IS QUESTION WHETHER THE 37 PERCENT IS REDUCTION IN INTERNAL SUPPLIES OR WHETHER THE FIGURE MAY ALSO INCLUDE EXPORT DESTINED CRUDE.

3. ANSWERS TO THE ABOVE, TO MOST OTHER QUESTIONS, AND ESPECIALLY TO QUESTION OF IMPACT OF REDUCTIONS ON THE HONDURAN ECONOMY MORE READILY AVAILABLE TO THE EMBASSY THAN TO THE DEPARTMENT. REQUEST THE EMBASSY ATTEMPT TO CLARIFY THE SITUATION WITH TEXACO REP MCDONALD AND GOH OFFICIALS IN ORDER TO DETERMINE ACTUAL STATUS OF PETROLEUM SITUATION.
KISSINGER

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